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SIPDIS

SENSITIVE

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SUBJECT: INITIAL CALL ON THE NEW IRAQI MINISTER OF COMMUNICATIONS

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REF: A) STATE 30930  
B) BAGHDAD 2191  
C) Department/Baghdad O/I (06/02/2005)

1.(SBU) SUMMARY: Iraqi Minister of Communications, Dr. Jowan Masum, told us May 30 she is anxious to get a date from the CEO of the National Communications and Media Commission (NCMC) for a joint press conference between the Ministry of Communications and the NCMC. She requested assistance in resolving the closing of an internal access road to the MOC building. She also requested assistance with the Project Contracting Office to expedite the contract award for the construction of a new post office. Masum announced that she had accepted the International Telecommunication Union's invitation for Iraq to host a 2009 technology conference and of her intent to resolve Iraq's ITU membership dues arrearages. She noted that all previous MOC unlicensed Wireless Local Loop (WLL) projects are halted until the licensing issues with the NCMC are resolved. Masum stated that MCI offered to "gift" their system to the MOC. Masum noted the difficulty of transitioning current employees in the state owned landline system to the private sector because of job security concerns. Masum suggested that the new mobile licensees would be limited to entities comprised of 10 percent or less government ownership. Masum stated her intent to sign all the infrastructure initiatives left by the previous Minister, but that funding them was difficult as the previous Minister returned all the MOC funds to the Ministry of Finance. Masum also stated her intent to restructure the state owned telephone company into wholesale and retail entities. END SUMMARY

2.(U) IRMO Deputy Director and Director of Operations MG Heine, IRMO Senior Consultant for Communications, and ECONOFF met with the new Iraqi Minister of Communications, Dr. Jowan Masum, on May 30, 2005.

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JOINT PRESS CONFERENCE WITH NCMC  
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3.(SBU) Masum said she was anxious to get a date from Siyamend Othman, CEO of the Iraqi National Communications and Media Commission (NCMC), for a joint press conference between MOC and NCMC. She informed us that the press conference would serve as the formal and public transfer of all spectrum and licensing responsibilities and equipment, from the MOC to the NCMC. In addition, she stated that she received several complaints on Iraqna service and that the press conference would definitively establish that the NCMC has sole authority over mobile carriers. Masum showed us a poster she printed up for the press conference. We offered our assistance in helping with the press conference and d  
extended the offer from the US Embassy Public Affairs Section to conduct media training to prepare for the press conference.

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NEW POST OFFICE BUILDING  
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4.(SBU) Masum stated that her immediate priority is to award a contract for the construction of a new post office, the first in Iraq for many years that will be built from the ground up. It is modeled after a US post office. Masum, who previously worked at PCO as an Operations Manager, said she had heard that PCO is eliminating the 'quick procurement' option that allowed projects costing under \$1 Million to bypass the usual RFP process. She is concerned that the RFP process will take months and that in the interim she will lose the land. She stated that the contractor for the project has been identified and is ready to start. She requested our assistance in expediting the resolution.

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ITU 2009 CONFERENCE TO BE HELD IN IRAQ  
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5.(SBU) Masum informed us that the International Telecommunication Union (ITU) asked Iraq to hold the 2009 ITU technology conference. Masum stated that she accepted the offer and would like to hold the conference at the Mamoon switch site, the rebuilding of which is currently out for bid and scheduled to be completed in 2 years. She explained that Mamoon is a Baghdad landmark that has been used by Iraqis for many years as a recreation site and that its needle tower can be seen for miles around. She also noted that a large park once surrounded the Mamoon building and stated her intent to bring back the park and connect it by footpath to another park nearby. She plans to ensure that the rebuilding plans facilitate the hosting of the ITU conference.

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ITU ARREARAGES  
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16. (SBU) Masum said she is ready to make the initial payment of a proposed 5-year payment plan to the ITU in order to begin the process of curing an 18-year lapse by Iraq in paying its dues (REF A). The first payment will reinstate Iraq's membership in the ITU and begin the process in seeking forbearance of approximately \$600,000 in accrued interest (about one-third of GOI's indebtedness of \$1,962,982.60 Swiss francs as of October 29,2004). She stated that she has the funds to make the first payment and would do so upon receipt of the Repayment Agreement from ECONOFF. We offered our assistance in providing her with the Repayment Agreement and facilitating contact with the ITU. NOTE: Subsequent to this meeting, we provided Masum with the information from REF C, and she has begun follow-up with the ITU. END NOTE.

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MILITARY SPECTRUM  
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7.(SBU) Masum stated that she met with the Minister Of Defense and informed them that the military telecommunications systems need to be on the military spectrum band. She noted that LTG Petraeus was present at the meeting.

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UNLICENSED MOC WLL PROJECTS  
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8.(SBU) Masum said she has halted work on all current Wireless Local Loop projects initiated by MOC, under the previous Minister, until the licensing issue with the NCMC is resolved. She noted that there were several projects at various stages of completion and it is her intent to license them before any work is resumed.

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HIRING OF ITPC EMPLOYEES  
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9.(SBU) Masum noted the difficulty in getting current ITPC employees to accept jobs in the private sector because of their concerns over job security and the loss of pensions and benefits. She explained that employees want a letter from the MOC before joining the private sector, guaranteeing them a MOC position and a reinstitution of the pension in the event private industry positions are unsuccessful. She also noted that she was going to end the current practice of guaranteeing jobs to graduates of the College of Technology. She stated that if positions were open, for which graduates were qualified, they would be welcome at MOC, but otherwise they were to look to the private sector for employment.

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MCI OPERATED USG NETWORK  
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10.(SBU) Masum said that MCI informed her that they would be "gifting" the MCI USG network to the ITPC, the government owned landline telephone company, which operates under MOC authority and direction. She further stated that MCI invited her to Jordan at the end of June to begin discussing the "concept of granting the system" to ITPC.

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INTERCONNECTION WITH THE ITPC  
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11.(SBU) Masum noted several times in the meeting that interconnection and roaming among the mobile carriers and the ITPC are essential for good service in Iraq. She

acknowledged that the NCMC had jurisdiction over the issue and that the ITPC would be working closely with the NCMC.

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MOBILE LICENSING TENDERS  
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12.(SBU) Masum raised the issue of whether the new mobile license tenders would prohibit any entities that are comprised of more than 10 percent government ownership, from bidding in the upcoming mobile licensing tenders. She stated that the current mobile licensees were restricted in that manner and that it would be wise to continue the practice. She noted that there was still some confusion among carriers as to who had jurisdiction over the tender process and she has been referring potential candidates to the NCMC and the NCMC website.

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INFRASTRUCTURE INITIATIVES  
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13.(SBU) Masum said she plans to sign Tenders 13, 14, 21, 48 and 51, and that Tender 52 was final, with the award going to Marconi. She noted that former Minister al-Hakim returned all the money from the MOC budget to the Ministry of Finance (MOF), forcing her to go to the MOF repeatedly  
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on a project-by-project basis to get funding. NOTE: This is required by Iraq's budget law. END NOTE. She spoke at some length on the international connectivity project, which requires investing in a submarine fiber optic network and of her involvement in determining the cable landing sites. She will be leaving for the UAE in June to begin negotiations on interconnection and tariffs.

14.(SBU) She questioned NCMC's CEO demand that there be a revenue sharing mechanism with the NCMC on the submarine fiber optic network. She stated her belief that it was inappropriate for an independent agency to enter into revenue sharing agreements, that all the work in the past 14 months on the project had been done by MOC, that the market should dictate prices, and that revenue sharing by governments would distort that pricing. She requested our assistance in discussing this issue with Othman and, in particular, the role of an independent regulator.

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UNIVERSAL SERVICE  
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15.(SBU) Masum agreed with ECONOFF that a universal service policy and program needed to be in place to increase penetration in rural and high cost areas.

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ITPC RESTRUCTURING  
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16.(SBU) Masum said she plans to restructure the ITPC into wholesale and retail entities. She also stated that the State Company for Internet Service (SCIS), created by the former MOC Minister, would be dissolved and folded into the wholesale entity as it housed and separated the most experienced data personnel from the rest of the company. We explained that the formation of SCIS was designed to work with IRMO Office of Communications on the IRFF funded Wireless Broadband project (WBB). She explained that the current ITPC and SCIS data experts could take on the WBB project, once those entities were combined. She stated she would seek the required approval from the Ministry of Planning for the ITPC restructuring. She asked for assistance in determining the role and scope of the  
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"Italian Project," which is designed to provide similar services to the WBB, and which is being directed by the Ministry of Science and Technology.

SATTERFIELD